

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 SSO-00 CIAE-00 COME-00 DODE-00
DOTE-00 EB-08 FMC-01 INR-07 NSAE-00 CG-00 DLOS-09
OES-07 INRE-00 SS-15 NSCE-00 SP-02 L-03 PM-05
AID-05 IGA-02 /077 W

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FM AMEMBASSY HELSINKI

TO SECSTATE WASHDC IMMEDIATE 2074

C O N F I D E N T I A L HELSINKI 2658

E.O. 11652: GDS

TAGS: ETRD, FI

SUBJECT: WARTSILA BID ON COAST GUARD CUTTERS

REF: (A) STATE 271662, (B) HELSINKI 2652

1. SUMMARY: I MET ON NOVEMBER 14 WITH TANKMAR HORN, PRESIDENT OF WARTSILA, AT HIS REQUEST, IN THE COURSE OF WHICH WE DISCUSSED WARTSILA'S PUBLIC POSTURE REGARDING COAST GUARD DECISION ON CUTTERS. HORN SAID WARTSILA WILL TRY TO HOLD TO PUBLIC LINE QUOTE THAT CLIENT IS ALWAYS RIGHT UNQUOTE RECOGNIZING IT STILL HOS HOPES TO ENTER U.S. MARKET, BUT IF IT FINDS ITS CORPORATE IMAGE CHALLENGED BY REPORTS OF A QUOTE MISTAKE UNQUOTE IN FORMULATING ITS BID, IT MAY HAVE TO DEFEND ITSELF, USING ARGUMENTS ALREADY EMPLOYED IN ITS REQUEST TO COAST GUARD FOR PERMISSION TO SUBMIT A REVISED BID. HORN ALSO SHARED WITH ME TEXTS OF STATEMENTS MADE BY U.S. OFFICIALS AND CONGRESSIONAL SPOKESMEN, INCLUDING U.S. NAVY UNDER SECRETARY, WHICH EMBASSY DOES NOT HAVE, AND WHICH IN NO CASE EMPLOY THE THEMES IN THE PRESS GUIDANCE WE WERE SUPPOSED TO USE HERE (REFTEL A). QUESTION POSED BY HORN WAS QUOTE WHICH WAS THE REAL REASON AMONG THE SEVERAL NOW OFFERED PUBLICLY, AND WHAT DOES IT MEAN FOR TUTURE WITH RESPECT TO THE TREATMENT TO BE ACCORDED WARTSILA BIDS\$ UNQUOTE
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END SUMMARY.

2. TANKMAR HORN, PRESIDENT OF WARTSILA, CALLED ON ME NOVEMBER 14 TO DISCUSS COAST GUARD DECISION ON WARTSILA CUTTER BID. WHILE I WAS AWARE OF NATURE OF THE STORY FILED FROM WASHINGTON BY QUOTE HELSINGIN SANOMAT UNQUOTE CORRESPONDENT (REFTEL B), I DID NOT HAVE TEXTS OF

OCTOBER 27 STATEMENTS BY CONGRESSIONAL SPOKESMEN, ALL OF WHICH SPOKE TO SECURITY ISSUE INVOLVED IN ELECTRONICS PACKAGE AND TO IMPLICATIONS OF THE FACT THAT WARTSILA BUILDS AND REPAIRS VESSELS FOR THE SOVIET UNION.

3. SETTING ASIDE MY GUIDANCE, I ASKED HORN WHAT POSTURE WARTSILA INTENDED TO ASSUME. HE SAID THAT, OF COURSE, WARTSILA WOULD TAKE THE LINE THAT QUOTE CLIENT IS ALWAYS RIGHT, UNQUOTE AS WARTSILA CONTINUES TO BELIEVE IT HAS A PRODUCT WHICH IT CAN SELL TO THE UNITED STATES AND IT DESIRES POSITIVE RELATIONS WITH CONCERNED U.S. AGENCIES. NONETHELESS, IF THE CORPORATE IMAGE OF WARTSILA IS GOING TO BE HARMED BY REPORTS OF A QUOTE MISTAKE UNQUOTE IN FORMULATING BID, IT PROBABLY WILL HAVE TO GO BEYOND THAT LINE AND EXPLAIN WHY A QUOTE MISTAKE UNQUOTE WAS MADE.

4. IN EITHER EVENT, THE TWO QUESTIONS POSED BY THE DECISION, ACCORDING TO HORN, ARE (1) IN THE EVENT THE REASON GIVEN IN THE GUIDANCE PROVIDED THE EMBASSY, RATHER THAN THE IMPLIED DOMESTIC POLITICAL OR SECURITY CONSIDERATIONS, IS CORRECT, WILL A SECOND BID BY WARTSILA BE ACCEPTED IF THE BIDDING IS RE-OPENED, AND (2) DO THE IMPLIED REASONS SAY ANYTHING ABOUT HOW AN EVENTUAL ICEBREAKER BID WILL BE TREATED\$

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5. I TOLD HORN I COULDN'T ANSWER EITHER QUESTION AND WOULDN'T EVEN ATTEMPT TO. HE WAS AWARE THAT I HAVE TAKEN THE LINE PUBLICLY WITH RESPECT TO SUCH MATTERS THAT THE EMBASSY IS NOT A SALES AGENT FOR FINLAND AND THAT THE INTEREST OF THE UNITED STATES (AND THE ROLE OF THE EMBASSY) IS TO ENSURE THE EQUITABLE TREATMENT OF FINNISH BIDS. HORN SAID HE UNDERSTOOD AND RESPECTED THAT POSITION AND WISHED TO BE ADVISED ONLY OF THE MOST LIKELY ANSWERS TO THE QUESTIONS HE BELIEVED WERE RAISED BY THE CASE AT HAND (PARA 4).

6. I TOLD HIM I THOUGHT THE QUESTIONS WERE LEGITIMATE IN THE CIRCUMSTANCES AND WOULD SEEK WASHINGTON VIEWS. RIDGWAY

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SHIPS, COAST GUARDS, PROPOSALS (BID)
Control Number: n/a
Copy: SINGLE
Sent Date: 14-Nov-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977HELSIN02658
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
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ISecure: 1
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Subject: WARTSILA BID ON COAST GUARD CUTTERS
TAGS: ETRD, FI, WARSILA
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